

## Message Text

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62

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-10 ARA-10 CIAE-00 DODE-00 PM-03

H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02 RSC-01 PRS-01

SP-02 SS-15 USIA-15 EB-07 COME-00 TRSE-00 OMB-01 /096 W

----- 018462

P 232029Z DEC 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 5262

UNCLAS OTTAWA 4149

EO 11652 NA

TAGS EAID PFOR CA CU

SUBJ CANADA-CUBA RELATIONS

REF OTTAWA 0414, FEB 11, 1974

1. DEC 21 OTTAWA JOURNAL REPORTS HAVING OBTAINED  
"CONFIDENTIAL DOCUMENTS" SHOWING THAT A C\$10 MILLION  
INTEREST-FREE LOAN PACKAGE TO CUBA HAD BEEN APPROVED BY  
EXTAFF MIN ALLAN MACEACHEN DESPITE OPPOSITION OF FINANCE  
MIN JOHN TURNER.

2. LOAN PROPOSAL DRAFTED BY CANADIAN INTERNATIONAL  
DEVELOPMENT AGENCY (CIDA) FOLLOWING CIDA PRESIDENT PAUL  
GERIN-LAJOIE'S VISIT TO CUBA LAST FEB (SEE REFTEL. LOAN  
WOULD BE INTEREST-FREE WITH 10 YEAR GRACE PERIOD AND  
50 YEARS MATURITY. FINMIN TURNER REPORTEDLY FELT TERMS  
WERE TOO CONCESSIONAL GIVEN CUBA'S "HEALTHY BALANCE OF  
PAYMENTS POSITION" AND ITS "RELATIVELY MORE ADVANCED  
STATE OF DEVELOPMENT." HE SUGGESTED 3 PERCENT INTEREST  
RATE, 7 YEARS GRACE AND 30 YEARS MATURITY.

3. EXTAFF REPORTEDLY APPROVED LOAN BASED ON CIDA  
PRESIDENT GERIN-LAJOIE MEMO STATING IN PART THAT  
"BEGINNING OF SUCH AID RELATIONSHIPS WAS UNDERSTOOD  
TO BE PART OF A NEWER EMPHASIS ON CUBA LEADING TO  
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BROADENED POLITICAL AND ECONOMIC RELATIONSHIP WITH

THAT COUNTRY." GERIN-LAJOIE'S MEMO FURTHER SOUGHT TO MINIMIZE INCOME FROM SUGAR EXPORTS STATING THAT "WHAT IS NOT KNOWN IS HOW MUCH OF CUBA'S SUGAR EXPORTS ARE LOCKED INTO BARTER DEALS, NOR HOW MUCH MORE CUBA HAS HAD TO PAY FOR ITS SOVIET OIL AND OTHER COMMODITIES WHICH ARE ALSO RAPIDLY INFLATING. WHAT IS CLEAR IS THAT CUBA IS STILL A POOR COUNTRY."

4. OTTAWA JOURNAL ACCOUNT POINTED OUT THAT EXTAFF SPOKESMAN SAID DEC 20 THAT LOAN TO CUBA "UNDER CONSIDERATION BUT NO FINAL DECISION HAD BEEN MADE". CLIPPING BEING POUCHED TO EUR/CAN.  
PORTER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS, DEBT REPAYMENTS, INTEREST RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1974OTTAWA04149  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Date:** 03 OCT 2002  
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**Secure:** OPEN  
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**Subject:** CANADA-CUBA RELATIONS  
**TAGS:** EAID, PFOR, CA, CU  
**To:** STATE  
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